LIWAYWAY MARKETING CORPORATION v. OISHI GROUP PUBLIC COMPANY LIMITED

COURT OF APPEAL, PUTRAJAYA
ZAHARAH IBRAHIM JCA
MAH WENG KWAI JCA
VARGHESE GEORGE JCA
[CIVIL APPEAL NO: W-02(IPVC)(A)-674-04-2004]
30 JUNE 2016

INTELLECTUAL PROPERTY: *Trade Marks – Registered trade mark – Expungement – Application to expunge from Register – Whether applicant an aggrieved person – Whether applicant proved continuous non-use of defendant's trade mark – Whether genuine intention to use trade mark shown – Special circumstances for non-use – Whether reason for non-use constitutes 'special circumstances in trade' within s. 46(4) of Trade Marks Act 1976 – Whether presumption of validity a defence against attack for non-use – Trade Marks Act 1976, ss. 37, 45 & 46*

The respondent ('plaintiff'), a public company incorporated in Thailand, was in the business of manufacturing and producing non-alcoholic beverages, aerated water, fruit juices, ready-to-drink green tea and carbonated drinks under its trade mark 'OISHI'. The appellant ('defendant') was a company incorporated in Philippines and was the registered owner of the trade mark 'Oishi' in class 30 and class 43 on the Register of Trade Marks ('the Register'). The plaintiff applied to the Registrar of Trade Marks for the registration of the plaintiff's 'OISHI' trade mark in class 32. However, the Registrar objected to the application on the ground that the plaintiff's trade mark was similar to the defendant's trade marks and would lead to confusion to the public. The plaintiff, therefore, sought to expunge the defendant's registered trade marks. The Judicial Commissioner ('JC') allowed the plaintiff's application. Hence, the present appeal by the defendant. The issues that arose for determination, *inter alia*, were (i) whether the plaintiff had shown that it was an aggrieved person to enable it to make an application under ss. 45 and 46 of the Trade Marks Act 1976 ('Trade Marks Act'); (ii) whether there was continuous non-use of the defendant's trade marks which would warrant the exercise of the court's jurisdiction under s. 46 of the Trade Marks Act; and (iii) whether the registration of the defendant's trade marks were conclusive under s. 37 and therefore could not be removed under s. 46 of the Trade Marks Act.

Held (dismissing appeal with costs; affirming order of High Court)
Per Zaharah Ibrahim JCA delivering the judgment of the court:

(1) Pursuant to ss. 45 and 46, only an aggrieved person had the standing to make the application as was made by the plaintiff. The plaintiff was not using a trade mark that resembled the defendant's trade marks. The only

similarity was the word 'Oishi'. Visually, there was a marked difference between the two trade marks. Evidence showed that the plaintiff applied for registration of its trade mark in 2011 and its use of the trade mark in Malaysia was in 2013. Both dates fell within the period that the plaintiff claimed the defendant was not using the defendant's trade marks in Malaysia (paras 44, 48 & 49)

(2) The plaintiff had shown a genuine intention to use the plaintiff's trade mark in Malaysia. The fact that the plaintiff's application to register its trade mark was objected to showed that there was basis for its concern that, unless the defendant's trade marks were removed from the Register, the plaintiff ran the risk of having action taken against it by the defendant. In the circumstances, there was no reason to disturb the finding of fact made by the JC that the plaintiff was an aggrieved person. (paras 50-52)

(3) The plaintiff had engaged Dna Risk Sdn Bhd ('Dna') to conduct a market survey of various outlets in the Klang Valley, Johor Bahru and Penang. The report had met all the guidelines set out by Whitford J in *Imperial Group Plc v. Philip Morris Ltd* for the conduct of surveys for trade marks matters. Dna's report of the survey showed that there was no product bearing the defendant's trade marks being sold at those premises. Therefore, the plaintiff had established a *prima facie* case of non-use by the defendant. (paras 53-62)

(4) As the originating summons was filed on 19 February 2013, the continuous period of three years up to one month before the filing of the originating summons would be the period between 19 January 2010 until 19 January 2013 ('relevant period'). The commercial invoices annexed to the defendant's trade mark agent's affidavit, Proplus Resources ('Proplus') were dated 2009, which was outside the relevant period. Hence, the documents could not be evidence of use by the defendant of the defendant's trade marks in the relevant period. (paras 65, 66 & 68)

(5) Every single invoice which was exhibited in the affidavit had a list of items printed, and these items were all drinks. However, the 'Oishi' products were handwritten. Further, the JC observed that the invoice no. 5029 had a date after the date in invoice 5052 and it did not make sense with regard to the numbering of the invoices. Thus, there was no error in the JC's findings. (paras 72 & 74)

(6) There was no evidence of 'use' within the meaning of s. 3(2)(a) and (b) of the Trade Marks Act of the defendant's trade marks within the relevant period. Even if the defendant's trade mark agent, Proplus, was not a registered user, if defendant had supplied its goods bearing the defendant's trade marks to Proplus, that would still constitute *bona fide* use. However, in light of the defendant's admission of the cessation of

the use of the defendant's trade marks in Malaysia from 2009, the fact that Proplus may have continued to sell the goods remaining from the 2009 shipment did not constitute use by the defendant of the defendant's trade marks in Malaysia. (paras 78, 81 & 83)

(7) The special circumstances in s. 46(4), which could be used by a registered proprietor against any application to remove its trade marks for non-use, are special circumstances 'in the trade'. The defendant made a 'personal' commercial decision to stop use of the defendant's trade marks in Malaysia and the reasons given by the defendant could not come within the meaning of 'special circumstances in trade'. Hence, the defendant's non-use was not due to special circumstances within the meaning of s. 46(4) of the Trade Marks Act. (paras 89, 91 & 92)

(8) A trade mark which had been in the Register for seven years or more was presumed to be valid and that the presumption would apply for the benefit of a registered proprietor in the case of an application under s. 45 to challenge the validity of the trade mark. However, the very words of s. 37 showed that the presumption of validity is not a defence against an attack for non-use under s. 46. The specific reference to s. 45 in s. 37 meant that s. 46 was excluded from the ambit of s. 37. In any case, in an application under s. 46(1)(b) of the Trade Marks Act it was not the validity of the trade marks that was in issue, it was their non-use. (paras 96, 98 & 99)

Bahasa Malaysia *Headnotes*

Responden ('plaintif'), sebuah syarikat yang ditubuhkan di Thailand, membuat perniagaan pengilangan dan pengeluaran minuman tidak beralkohol, air berudara, jus buah-buahan, teh hijau sedia diminum dan minuman berkarbonat di bawah cap dagangan 'OISHI'. Perayu ('defendan') adalah syarikat yang ditubuhkan di Filipina dan adalah pemilik berdaftar cap dagangan 'Oishi' dalam kelas 30 dan 43 Daftar Tanda Dagang ('Daftar'). Plaintif memohon kepada Pendaftar Tanda Dagang bagi pendaftaran cap dagangan 'OISHI' plaintif dalam kelas 32. Walau bagaimanapun, permohonan tersebut dibantah oleh Pendaftar atas alasan bahawa cap dagangan plaintif serupa dengan cap dagangan defendan dan akan menjurus kepada kekeliruan kepada pihak umum. Plaintif, oleh itu, memohon untuk menghapuskan cap dagangan berdaftar defendan. Pesuruhjaya Kehakiman ('PK') membenarkan permohonan plaintif. Dengan itu, rayuan ini oleh defendan. Isu-isu yang berbangkit bagi pemutusan, antara lain, adalah (i) sama ada plaintif membuktikan bahawa ia terkilan untuk membolehkannya membuat permohonan di bawah ss. 45 dan 46 Akta Cap Dagangan 1976 ('Akta Cap Dagangan'); (ii) sama ada tiada penggunaan cap dagangan defendan yang mewajarkan pelaksanaan bidang kuasa mahkamah di bawah s. 46 Akta Cap Dagangan; dan (iii) sama ada pendaftaran cap dagangan defendan adalah muktamad di bawah s. 37 dan oleh itu tidak boleh dihapuskan di bawah s. 46 Akta Cap Dagangan.

Diputuskan (menolak rayuan dengan kos; mengesahkan perintah Mahkamah Tinggi)

Oleh Zaharah Ibrahim HMR menyampaikan penghakiman mahkamah:

(1) Menurut ss. 45 dan 46, hanya seseorang yang terkilan mempunyai hak untuk memohon seperti yang dibuat oleh plaintif. Plaintif tidak menggunakan cap dagangan yang menyerupai cap dagangan defendan. Satu-satunya persamaan adalah perkataan 'Oishi'. Secara visual, terdapat perbezaan yang ketara antara kedua-dua cap dagangan. Keterangan menunjukkan bahawa plaintif memohon pendaftaran cap dagangannya pada tahun 2011 dan kegunaan cap dagangannya di Malaysia adalah pada tahun 2013. Kedua-dua tarikh terangkum dalam tempoh di mana plaintif mendakwa defendan tidak menggunakan cap dagangan defendan di Malaysia.

(2) Plaintif telah menunjukkan niat suci hati penggunaan cap dagangan plaintif di Malaysia. Fakta bahawa permohonan plaintif untuk mendaftarkan cap dagangan dibantah menunjukkan bahawa terdapat asas bagi kebimbangannya bahawa, kecuali cap dagangan defendan dihapuskan daripada Daftar, plaintif menghadapi risiko tindakan terhadapnya oleh defendan. Dalam keadaan tersebut, tiada alasan untuk mengganggu dapatan fakta yang dibuat oleh PK bahawa plaintif adalah seseorang yang terkilan.

(3) Plaintif melantik Dna Risk Sdn Bhd ('Dna') untuk menjalankan kajian pasaran terhadap pelbagai kedai di Lembah Klang, Johor Bahru dan Pulau Pinang. Laporan tersebut mematuhi kesemua panduan yang ditetapkan oleh Whitford J dalam *Imperial Group Plc v. Philip Morris Ltd* bagi kajian terhadap perkara yang melibatkan cap dagangan. Laporan Dna tentang kajian tersebut menunjukkan bahawa tiada barangan yang mempunyai cap dagangan defendan dijual di premis-premis tersebut. Oleh itu, plaintif telah membuktikan kes *prima facie* tiada penggunaan oleh defendan.

(4) Oleh sebab saman pemula difailkan pada 19 Februari 2013, tempoh tiga tahun berturut-turut sehingga sebulan sebelum pemfailan saman pemula adalah tempoh antara 19 Januari 2010 sehingga 19 Januari 2013 ('tempoh berkenaan'). Invois-invois komersial yang disertakan dalam afidavit ejen cap dagangan defendan, Proplus Resources ('Proplus') bertarikh 2009, adalah di luar tempoh berkenaan. Oleh itu, dokumen-dokumen tersebut tidak boleh menjadi bukti penggunaan oleh defendan bagi cap dagangan defendan bagi tempoh berkenaan.

(5) Setiap satu invois yang diekshibitkan dalam afidavit tersebut mengandungi senarai item yang dicetak. Walau bagaimanapun, barangan 'Oishi' ditulis tangan. Selanjutnya, PK mendapati bahawa invois

no. 5029 mempunyai tarikh selepas tarikh invois 5052 dan nombor invois-invois tersebut tidak masuk akal. Oleh itu, tiada kekhilafan dalam dapatan PK.

(6) Tiada keterangan 'penggunaan' dalam maksud s. 3(2)(a) dan (b) Akta Cap Dagangan bagi cap dagangan defendan dalam tempoh berkenaan. Walaupun ejen cap dagangan defendan, Proplus, adalah pengguna berdaftar, jika defendan membekalkan barangan yang mempunyai cap dagangan defendan kepada Proplus, ia masih akan membentuk penggunaan *bona fide*. Walau bagaimanapun, berikutan pengakuan defendan mengenai pemberhentian penggunaan cap dagangan defendan di Malaysia semenjak 2009, fakta bahawa Proplus boleh meneruskan menjual baki barangan daripada penghantaran 2009 tidak membentuk penggunaan cap dagangan defendan di Malaysia oleh defendan.

(7) Hal keadaan khas dalam s. 46(4), yang boleh digunakan oleh pemilik berdaftar terhadap mana-mana permohonan untuk menghapuskan cap dagangan bagi ketiadaan penggunaan, adalah hal keadaan khas 'dalam perdagangan'. Defendan membuat keputusan komersial 'peribadi' untuk berhenti menggunakan cap dagangan defendan di Malaysia dan alasan-alasan yang diberikan oleh defendan tidak terangkum dalam maksud 'keadaan khas dalam perdagangan'. Dengan itu, ketiadaan penggunaan oleh defendan bukan disebabkan hal keadaan khas dalam maksud s. 46(4) Akta Cap Dagangan.

(8) Sesuatu cap dagangan yang ada dalam Daftar bagi tujuh tahun atau lebih dianggap sah dan anggapan tersebut terpakai bagi faedah pemilik berdaftar dalam kes permohonan di bawah s. 45 untuk mencabar kesahan cap dagangan. Walau bagaimanapun, perkataan-perkataan s. 37 sendiri menunjukkan bahawa anggapan kesahan bukan pembelaan terhadap cabaran ketiadaan penggunaan di bawah s. 46. Rujukan spesifik kepada s. 45 dalam s. 37 bermaksud bahawa s. 46 adalah dikecualikan daripada rangkuman s. 37. Walau apa pun, dalam permohonan di bawah s. 46(1)(b) Akta Cap Dagangan, bukan kesahan cap dagangan yang menjadi isu, isunya adalah ketiadaan penggunaan.

Case(s) referred to:

Bulova Trade Mark Case [1967] RPC 229 ***(refd)***
Godrej Sara Lee Ltd v. Siah Teong Teck & Anor (No 2) [2008] 7 CLJ 24 HC ***(refd)***
Imperial Group Plc v. Philip Morris Ltd [1984] RPC 293 ***(refd)***
LB (Lian Bee) Confectionery Sdn Bhd v. QAF Ltd [2012] 3 CLJ 661 FC ***(dist)***
Marks and Spencer plc v. Interflora Inc and Another [2012] EWCA Civ 1501 ***(refd)***
Woolly Bull Enterprises Pty Ltd v. Reynolds [2001] FCA 261 ***(refd)***

Legislation referred to:

Trade Marks Act 1976, ss. 3(2)(a), (b), 10(1)(c), (d), 14, 37(b), (c), 45(1)(a), 46(1)(b), (4)

Trade Marks Act 1938 [UK], s. 26(3)
Trade Marks Act 1955 [AUS], s. 23(4)

Other source(s) referred to:
Kerly's Law of Trade Marks and Trade Names, 12th edn, p. 193

For the appellant - SF Wong & CY Loi; M/s Shearn Delamore & Co
For the respondent - Bahari Yeow, Lim Zhi Jian & G Vijay Kumar; M/s Lee Hishammuddin Allen & Gledhill

[Editor's note: For the High Court judgment, please see Oishi Group Public Company Limited v. Liwayway Marketing Corporation [2015] 2 CLJ 1121 (affirmed).]

Reported by S Barathi

JUDGMENT

Zaharah Ibrahim JCA:

Introduction

[1] This was an appeal from the decision of the High Court in Kuala Lumpur allowing the plaintiff's application to have the trade mark "Oishi" which was registered in the defendant's name under various registrations numbers ("defendant's trade marks") in various classes in the Malaysian Register of Trade Marks ("Register") expunged and removed from the Register.

[2] In this judgment, the parties are referred to as they were in the High Court.

Brief Background Facts

[3] The plaintiff was a company incorporated in Thailand. The defendant was a company incorporated in the Philippines.

[4] The defendant's trade marks were registered with the following numbers in the following classes and for the following goods and services:

(a) 00010944, in class 30, for a range of snack food products;

(b) 04009312 in class 29 for "potato chips, crisps, flakes, meat, fish, poultry, meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jam, eggs, milk, edible oils and fats, cheese and pickles";

(c) 05004420 in class 43 for "services for providing food and drink included in class 43";

(d) 05021787 in class 30 for "coffee, tea, cocoa, sugar, tapioca, sago, artificial coffee, flour, and preparations made from cereals, bread, pastry and confectionery, ices, honey, treacle, yeast, baking powder, salt, mustard, vinegar, sauces (condiments) spices and ice".

[5] The plaintiff claimed to be in the business of manufacturing, producing and dealing in, *inter alia*, aerated water, fruit juices, ready-to-drink green tea and carbonated drinks using the plaintiff's trade mark. The plaintiff's trade mark also had the word "Oishi" below an oval shape within which was a character.

[6] The plaintiff, who had been exporting its products to Malaysia using its trade mark, filed an application under class 32 for registration of its trade mark. However, it was objected to by the Registrar of Trade Marks on the ground that the plaintiff's trade mark was similar to the defendant's trade marks and would lead to confusion to the public as well as being contrary to law.

[7] The plaintiff, concerned that the exports of its products bearing its trade mark to Malaysia would be adversely affected and exposed to litigation in view of the defendant's trade marks, applied to the High Court by way of originating summons to have the defendant's trade marks expunged and removed under ss. 45 and 46 of the Trade Marks Act 1976 ("Act 175").

In The High Court

[8] In support of its application before the High Court at Kuala Lumpur, the plaintiff filed the affidavit of its legal counsel, one Somboon Earterasarun ("plaintiff's legal counsel"). The affidavit in support stated that:

(a) "Oishi" was a name or surname and therefore did not fulfil the criteria for registration under s. 10(1)(d) of Act 175;

(b) "Oishi" was a word having a common dictionary meaning and that meaning had a direct reference to the character or quality of the goods and services of the defendant and therefore did not meet the criteria for registration under s. 10(1)(d) of Act 175;

(c) "Oishi", being a word having a well-known dictionary meaning, was not an invented word and therefore did not fulfil the criteria for registration under s. 10(1)(c) of Act 175;

and therefore the court had the jurisdiction to order that the defendant's trade marks be expunged and removed from the Register.

[9] The plaintiff's legal counsel further stated, in the affidavit in support, that:

(a) the plaintiff was the common law owner of the plaintiff's trade mark;

(b) the plaintiff and the defendant were dealing in goods and services in a similar trade and the presence of the defendant's trade marks in the Register would prejudice the plaintiff's legitimate business expectations and it would be prevented from manufacturing, importing, selling and dealing with its goods using the plaintiff's trade mark when the

A defendant had never used or intended to use the defendant's trade marks in relation to the defendant's goods and services up to the time of the filing of the application;

(c) the continued presence of the defendant's trade marks in the Register would provide the defendant a monopoly over a well-known, non-invented word.

B

[10] The plaintiff claimed that it had a *bona fide* intention to use its trade mark in Malaysia.

[11] The plaintiff claimed that it was therefore an aggrieved person within C the meaning of s. 45 of Act 175.

[12] In relation to s. 46 of Act 175, the plaintiff claimed that it had commissioned one Dna Risk Sdn Bhd ("Dna") to conduct surveys and market inquiries in Malaysia on the sale of any "Oishi" goods by the defendant. The report of Dna's market survey, marked as exh. "P3", was D exhibited to the affidavit in support. A total of 260 outlets were surveyed in three locations (the Klang Valley, Penang and Johor). The report stated that the defendant's goods with the defendant's trade marks were not sold in those outlets.

E **[13]** The plaintiff therefore claimed that the court had the jurisdiction to grant an order under s. 46 of Act 175 to expunge and remove the defendant's trade marks from the Register.

[14] The defendant opposed the plaintiff's application. It filed an affidavit in reply affirmed by its trade mark agent and instructing solicitor, Ms Helen F Huang ("defendant's trade mark agent").

[15] The defendant's trade mark agent stated in her affidavit in reply that the defendant's trade marks had been on the Register for seven or more years and were therefore conclusive.

G **[16]** The defendant denied that the word "Oishi" was descriptive in nature or connoted a direct reference to the characteristics or quality of the defendant's goods. The defendant also disputed the plaintiff's claim that the word "Oishi" was a name or surname or a common or non-invented word.

[17] The defendant also pointed out the fact that the same trade mark had H been registered in the defendant's name in Singapore and the word "Oishi" was stated to mean "Big Stone".

[18] In relation to use, the defendant denied that it did not use the defendant's trade marks in good faith in relation to the defendant's goods in Malaysia. The defendant's trade mark agent's affidavit in reply exhibited the I packing lists and commercial invoices as well as a bill of lading in relation to the defendant's export of its goods bearing the defendant's trade marks to Proplus Resources which had a business address at Segambut in Kuala Lumpur ("Proplus").

[19] The defendant's trade mark agent further averred in her affidavit in reply, that the sale of the defendant's goods bearing the defendant's trade marks to and in Malaysia was "temporarily" suspended sometime in 2009 to enable the defendant to make re-adjustments of its products as its target customers were the Malay Muslims. The defendant was working on getting halal certification.

[20] The defendant also filed an affidavit affirmed by one Low Kay Cheow ("Mr Low"), the manager of Proplus. Mr Low claimed that Proplus had been distributing and selling the defendant's goods or products bearing the defendant's trade marks to retailers and petty traders in the Malaysian market in the Klang Valley and elsewhere.

[21] A further affidavit ("affidavit in reply (2)"), affirmed by the defendant's trade mark agent was also filed by the defendant, supporting Mr Low's claims that the defendant's goods bearing the defendant's trade marks were imported into and sold in this country. The defendant's trade mark agent also averred in her affidavit in reply (2) that the defendant's goods and products bearing the defendant's trade marks had been imported into and sold in Sarawak, Malaysia, particularly to Soon Thai Foodstuff Trading Sdn Bhd in July 2007. The packing list, commercial invoice and bill of lading in respect of the shipment of those goods sold to Soon Thai were exhibited and annexed to the affidavit in reply (2).

[22] The defendant's trade mark agent further averred in her affidavit in reply (2) that the defendant had succeeded in obtaining halal certification from the relevant authority in the Philippines.

High Court Decision

[23] The learned High Court Judge allowed the plaintiff's application and ordered that the defendant's trade marks be expunged and removed from the Register.

In The Court Of Appeal

Submissions

[24] We had read the written submissions of both parties and during the hearing of the appeal, we heard the oral submissions of learned counsel for both parties.

[25] Before us, learned counsel for the defendant submitted on the following issues:

(i) whether the plaintiff had shown it was aggrieved to enable it to make an application under ss. 45 and 46 of Act 175;

(ii) whether the plaintiff had sufficiently pleaded the relevant sections;

(iii) whether the plaintiff had proved non-use.

Aggrieved Person

[26] On the issue of whether the plaintiff was an aggrieved person, learned counsel for the defendant submitted that the only reason the plaintiff claimed to be aggrieved was the fact that the plaintiff's application for registration of its trade mark in class 32 was objected to by the Registrar of Trade Marks and the defendant's trade marks were cited.

[27] The defendant submitted that the plaintiff could not claim to be a person aggrieved as the plaintiff's trade mark was an infringement of the defendant's trade marks. The plaintiff could also not claim to be the common law owner of the plaintiff's trade mark as the mark only came to be used by the plaintiff in 2013, long after the defendant's use and registration of the defendant's trade marks in 2003.

[28] The Federal Court decision in *LB (Lian Bee) Confectionery Sdn Bhd v. QAF Ltd* [2012] 3 CLJ 661 ("*Lian Bee*") was relied upon as authority for the defendant's contention that the plaintiff (being in fact itself an infringer) could not be an aggrieved person.

[29] The defendant also argued that the plaintiff's contention that the subsistence of the registration of the defendant's trade marks would provide a monopoly over a well-known, non-invented, dictionary word had no basis. The plaintiff's own trade mark, according to the defendant, had the same word.

[30] The plaintiff referred to *Lian Bee*, as well as to several other cases, to show that the plaintiff had indeed shown that it was an aggrieved person. It had provided ample evidence of the extensive media coverage of the launch of its goods in Malaysia, and the availability of its goods in 7-11 stores, Guardian outlets and petrol station marts to show its *bona fide* intention to use its own trade marks in Malaysia.

[31] The plaintiff submitted that its trade mark did not consist of just the word "Oishi". The word "Oishi" formed part of the plaintiff's trade mark, which was as follows:

Pleadings

[32] According to learned counsel for the defendant, the plaintiff only filed this action on 19 February 2013. By this date, the defendant's trade marks had been on the Register for more than seven years. Learned counsel submitted that in the circumstances, s. 37 of Act 175 should have been pleaded as that is a precondition to an application to challenge the validity of a registered trade mark. Yet, s. 37 was not pleaded.

[33] It was submitted for the defendant that the plaintiff's reliance on s. 14 was in the context of s. 45(1)(a). Therefore, the learned Judicial Commissioner erred when Her Ladyship held that exceptions (b) and (c) to s. 37 applied and that the defendant's trade marks offended s. 14 of Act 175. It was also submitted that in relation to s. 14 of Act 175, the point in time for the application of this section was at the time of the application for the registration of the trade marks by the defendant. It was at this point that the Registrar determined the registrability of the marks.

[34] Learned counsel for the defendant contended that even if registrability could be considered, the plaintiff had not provided evidence to support its claim that the word "Oishi" was a common name/surname or that it was a word which described the characteristics or quality of the products.

[35] On the issue of pleadings, learned counsel for the plaintiff submitted that the learned Judicial Commissioner was correct as her reference to s. 37 of Act 175 was in relation to the defendant's reliance on that section on the conclusiveness of the defendant's trade marks.

[36] Learned counsel for the plaintiff referred to the results of a Google translation of "Oishi" in the plaintiff's bundle of authorities. It showed that "Oishi" meant "delicious". It was therefore not an invented word and had a direct reference to the character or quality of the defendant's goods or services.

Non-Use

[37] On the issue of non-use, the defendant argued that to constitute a basis for an application for expunction under s. 46 of Act 175, non-use must be for a continuous period of three years up to one month before the application. If there was intermittent use, it could not be said that there was continuous non-use. The defendant submitted that it stopped during the alleged period in order to examine the market, in particular, to get halal certificate for its products. On the facts, said the defendant, there was no continuous period of non-use for three years.

[38] According to the defendant, there was ample evidence that it was using the trade marks. There was evidence that the goods were produced by the defendant and imported into the country by Proplus for onward distribution. Thus, the defendant continued to use the marks.

[39] Learned counsel for the defendant submitted that the market survey conducted for the plaintiff did not check out the premises which were identified in Mr Low's affidavit as the outlets to which Proplus supplied the defendant's products bearing the defendant's trade marks.

[40] The defendant also submitted that the market survey by Dna was faulty and should not have been accepted as there were various shortcomings in the survey report, including the absence of the identities of the interviewers and interviewees, the questions posed to the interviewees and

the fact that the survey only focused on goods in class 30. The survey did not cover a continuous period of three years up to one month before the filing of the application by the plaintiff.

[41] On non-use, the plaintiff submitted that Proplus was not the proprietor nor registered user of the trade marks. Learned counsel for the plaintiff contended that the invoices of sale by Proplus were not sufficient to show use by the defendant of the defendant's trade marks. There was in fact no evidence, argued learned counsel for the plaintiff, that the defendant's trade marks were used in relation to any goods. The learned Judicial Commissioner found no evidence of the defendant's trade marks being used on any goods or products.

Issues

[42] Having examined the originating summons and the affidavits in support of and in opposition to the plaintiff's application, and documents exhibited to those affidavits, as found in the record of appeal, and having read and heard the submissions of both parties, we were of the considered view that the issues in the appeal before us were as follows:

Issue (1): Whether the plaintiff was an aggrieved person (issue of "aggrieved person")

Issue (2): Whether there was continuous non-use of the defendant's trade marks which would warrant the exercise of the court's jurisdiction under s. 46 of Act 175 (issue of non-use)

Issue (3): Whether the registration of the defendant's trade marks were conclusive under s. 37 and therefore cannot be removed under s. 46 (issue of s. 37)

Analysis

Issue (1): Issue Of Aggrieved Person

[43] The plaintiff's application to have the defendant's trade marks expunged/removed from the Register was based substantively on the provisions of ss. 45 and 46 of Act 175, which read as follows:

Rectification of the Register

45 (1) Subject to the provisions of this Act:

(a) the Court may on the application in the prescribed manner of **any person aggrieved** by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as if thinks fit;

(b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register;

(c) in case of fraud in the registration, assignment or transmission of a registered trade mark or if in his opinion it is in the public interest to do so, the Registrar may himself apply to the Court under this section;

(d) an order of the Court rectifying the Register shall direct that notice of the rectification be served on the Registrar in the prescribed manner and the Registrar shall upon receipt of the notice rectify the Register accordingly.

(2) (Deleted by Act A1078).

Provisions as to non-use of trade mark

46(1) Subject to this section and to section 57, the Court may, on application by **a person aggrieved**, order a trade mark to be removed from the Register in respect of any of the goods or services in respect of which it is registered on the ground:

(a) that the trade mark was registered without an intention in good faith, on the part of the applicant for registration or, if it was registered under subsection 26(1), on the part of the body corporate or registered user concerned, to use the trade mark in relation to those goods or services and that there has in fact been no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being up to the date one month before the date of the application; or

(b) that *up to one month before the date of the application a continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor* or registered user of the trade mark for the time being.

(2) Except where an applicant has been permitted under section 20 to register an identical or a nearly resembling trade mark in respect of the goods or services to which the application relates or the Court is of the opinion that the applicant can properly be permitted to register the trade mark, the Court may refuse an application made under subsection (1):

(a) in relation to any goods, if there has been, before the relevant date or during the relevant period, as the case may be, use in good faith of the trade mark by the registered proprietor of the trade mark for the time being in relation to goods of the same description, being goods in respect of which the trade mark is registered; and

A (b) in relation to any services, if there has been, before the relevant date or during the relevant period, as the case may be, use in good faith of the trade mark by the registered proprietor of the trade mark for the time being in relation to services of the same description, being services in respect of which the trade mark is registered.

B (3) Where in relation to goods in respect of which a trade mark is registered:

(a) the matter referred to in paragraph (1)(b) are shown as far as regards failure to use the trade mark in relation to goods to be sold or otherwise traded in in a particular place in C Malaysia (otherwise than for export from Malaysia) or in relation to goods to be exported to a particular market outside Malaysia; and

(b) a person has been permitted under section 20 to register an identical or nearly resembling trade mark in respect of those D goods under a registration extending to the use in relation to goods to be sold or otherwise traded in in that place (otherwise than for export from Malaysia) or in relation to goods to be exported to that market, or the Court is of the opinion that that person might properly be permitted to register the trade mark,

E the Court may, on application by that person, direct that the registration of the first-mentioned trade mark shall be subject to such conditions, amendments, modifications or limitations as the Court thinks proper for securing that that registration shall cease to extend to use of the trade mark in relation to goods to be sold or F otherwise traded in that place (otherwise than for export from Malaysia) or in relation to goods to be exported to that market.

(3A) Where in relation to services in respect of which a trade mark is registered:

G (a) the matters referred to in paragraph (1)(b) are shown as far as regards failure to use the trade mark in relation to services provided in a particular place in Malaysia; and

(b) a person has been permitted under section 20 to register an identical or a nearly resembling trade mark in respect of those services under a registration extending to the use in relation H to services provided in that place, or the Court is of the opinion that that person might properly be permitted to register the trade mark,

the Court may, on application by that person, direct that the registration of the first-mentioned trade mark shall be subject to I such conditions, amendments, modifications or limitations as the Court thinks proper for securing that that registration shall cease to extend to use of the trade mark in relation to services provided in that place.

(4) An applicant is not entitled to rely for the purpose of paragraph (1)(b) or for the purpose of subsection (3) or (3A) on any failure to use a trade mark if failure is shown to have been due to special circumstances in the trade and not to an intention not to use or to abandon the trade mark in relation to the goods to which the application relates.

(5) (Deleted by Act A881).

(emphasis added)

[44] It could be seen that under both sections, only an aggrieved person had the standing to make the application such as was made by the plaintiff in this case.

[45] In *Lian Bee*, the respondent was the registered proprietor of the trade mark "Squiggles" which was registered in 2004. The appellant started selling goods using the trade mark "Squiggle" in 2007. The appellant filed an application under s. 46 of Act 175 seeking to have the respondent's trade mark expunged. The respondent claimed that it had granted its subsidiary, Gardenia Bakeries (KL) Sdn Bhd, a licence to use, among others, that same registered trade mark and the trade mark was used by Gardenia as a licensee and registered user.

[46] The Federal Court held that the appellant had been unlawfully using a trade mark ("Squiggle") which was confusingly similar to the respondent's trade mark ("Squiggles") and therefore could not be regarded as a *bona fide* "person aggrieved" or a person who was lawfully aggrieved for the purpose of s. 46 of Act 175.

[47] However, the Federal Court in *Lian Bee*, speaking through His Lordship Zulkefli Makinudin CJ (Malaya), held, at p. 671, that:

> [14] The threshold question for the purposes of s. 46(1)(b) of the TMA is whether the applicant is a "person aggrieved" such as to have the necessary *locus standi* to make the application and to invoke the court's jurisdiction. We are of the view that this is not an issue of "competing rights" as in the way the question is posed by the appellant. A "person aggrieved" under s. 46(1) of the TMA need not be a person with any specific right. A "person aggrieved" in this context may include someone with simply a *bona fide* intention to use a trade mark that is registered but which has not been used by the registered proprietor or any registered user for a continuous period of not less than three years up to one month before the date of an application under s. 46(1)(b) of the TMA to expunge. On this point in the case of *McLaren International Ltd v. Lim Yat Meen* [2009] 4 CLJ 749, Abdul Aziz Mohamad FCJ in delivering the judgment of this court had this to say:
>
> [21] Re Arnold D Palmer is an authority (out of several) that is heavily relied on by the respondent to deny that the appellants are a person aggrieved. In that case, the applicant sought the removal from the register of a trade mark on the ground of non-user. On whether the applicant was a person aggrieved, Chan Sek Keong JC, after

considering the speeches of Lord Herschell and Lord Watson in the House of Lords in *Powell's Trade Mark [*1894] 11 RPC 4; [1984] AC 8, and the manner in which subsequent judges reacted to the opinions of the said Law Lords in *Lever Bros, Port Sunlight Ltd. v. Sunniwite Products Ltd* [1949] 66 RPC 84, *Consort Trade Mark* [1980] RPC 160, and *Wells Fargo Trade Mark* [1977] RPC 503 concluded as follows:

> On the basis of these decisions, it is plain that the applicant will fail in this appeal unless he can show that he has used his trade mark in the course of a trade which is the same as or similar to that of the respondents or that he has a genuine and present intention to use the mark as a trademark. But the evidence shows none of these things, as the Registrar has found ...
>
> [22] We understand that passage as laying down the principle that a person aggrieved is a person who has used his mark as a trademark - **or who has a genuine and present intention to use his mark as a trademark** - in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register. (emphasis added)

Thus a "person aggrieved" may have no rights at all but merely a genuine intention to use a trade mark that is registered but which has not been used by the registered proprietor.

[48] Unlike the appellant in *Lian Bee*, the plaintiff in this case was not using a trade mark that resembled the defendant's trade marks. The only similarity was the word "Oishi". While the defendant's trade marks consisted solely of that word in a stylised font, the plaintiff's use of the word was in conjunction with an oval shape with a character inside the shape. Visually there was a marked difference between the two trade marks. We were of the considered view that the facts of the case before us were distinguishable from those in *Lian Bee*.

[49] The evidence adduced before the High Court showed that the plaintiff applied for registration of its trade mark in 2011 and its use of the trade mark in Malaysia was in 2013. Both dates fell within the period that the plaintiff claimed the defendant was not using the defendant's trade marks in Malaysia.

[50] The plaintiff had shown evidence that it was or was in the process of importing for sale in Malaysia its goods bearing its trade mark. Hence, there had been shown a genuine intention on the part of the plaintiff to use the plaintiff's trade mark in Malaysia.

[51] The fact that the plaintiff's application to register its trade mark was objected to showed that there was basis for its concern that unless the defendant's trade marks were removed from the Register the plaintiff ran the risk of having action taken against it by the defendant for use of the plaintiff's trade mark on the goods it was importing into and selling in this country.

[52] In those circumstances, we were of the considered view that there was no reason to disturb the finding of fact made by the learned Judicial Commissioner (guided by the decision of the Federal Court in *Lian Bee*) that the plaintiff was an aggrieved person.

Issue (2): Issue Of Non-Use

Did The Plaintiff Prove Non-Use?

[53] The plaintiff had engaged Dna to conduct a market survey of various outlets in the Klang Valley, Johor Bahru and Penang. Dna's report of the survey showed that there was no product bearing the defendant's trade marks being sold at those premises.

[54] The defendant's argument was that the burden of proving non-use of the defendant's trade marks was on the plaintiff and it was only upon the plaintiff discharging that burden that the defendant assumed the burden of proving use of the defendant's trade marks. The defendant, as mentioned above, criticised the market survey done on the plaintiff's behalf and submitted that the plaintiff had failed to discharge the plaintiff's burden of proving non-use. In the circumstances, the defendant submitted, it did not have any burden to prove its use of the defendant's trade marks.

[55] The learned Judicial Commissioner agreed with the plaintiff that Dna's market survey met the guidelines set out in *Imperial Group Plc v. Philip Morris Ltd* [1984] RPC 293. In that case, Whitford J laid out guidelines for the conduct of surveys for trade marks matters. The guidelines (commonly known as the "Whitford guidelines") were summarised by the English Court of Appeal in *Marks and Spencer Plc v. Interflora Inc and Another* [2012] EWCA Civ 1501 as follows:

> (i) if a survey is to have any validity at all, the way in which the interviewees are selected must be established as being done by a method such that a relevant cross-section of the public is interviewed;
>
> (ii) any survey must be of a size which is sufficient to produce some relevant result viewed on a statistical basis;
>
> (iii) the party relying on the survey must give the fullest possible disclosure of exactly how many surveys they have carried out, exactly how those surveys were conducted and the totality of the number of persons involved, because otherwise it is impossible to draw any reliable inference from answers given by a few respondents;
>
> (iv) the questions asked must not be leading; and must not direct the person answering the question into a field of speculation upon which that person would never have embarked had the question not been put;
>
> (v) exact answers and not some sort of abbreviation or digest of the exact answer must be recorded;

(vi) the totality of all answers given to all surveys should be disclosed; and

(vii) the instructions given to interviewers must also be disclosed.

[56] Our examination of Dna's survey report showed that the methodology used by Dna involved instructions to the interviewers to inspect "available food and beverages sections/aisles as well as other areas in the outlets" for any Oishi products. The interviewers were also instructed to question and interview "proprietors, sales representatives, outlet supervisors and outlet managers" on the availability of Oishi products. Then, if any Oishi product was found, the interviewees would be asked on the "possible usage of the trade mark, duration of trade mark use, types of products it is used on, price ranges for the products and any other relevant information". The interviewers were also directed to make random inquiries to wholesalers. Clearly, guideline (vii) of the Whitford guidelines had been complied with.

[57] As it turned out, the interview never went past the first question of whether the interviewees had had ever heard of Oishi products, as all the interviewees gave answers in the negative. In our view, guidelines (iv), (v) and (vi) of the Whitford guidelines had been satisfied.

[58] The market survey report showed that Dna had chosen to conduct the survey in the Klang Valley, Penang, and Johor Bahru. We did not think that it could be disputed that these would be the three most suitable locations for conducting surveys of the penetration of any goods/products in trade.

[59] Furthermore, the survey report also listed out the local areas in which the survey was conducted. The survey was conducted in 17 local areas in the Klang Valley, 14 local areas in Johor Bahru and eight local areas in Penang, involving 260 outlets. These consisted of supermarkets, mini-markets, Chinese medicinal halls, and wet markets. In other words, a cross-section of the retail outlets in the three locations. The names and addresses of these outlets were set out in the report.

[60] The report also contained the names of persons interviewed wherever available. Where names were not provided by the interviewees, the report made a note of that.

[61] In our view, the report had met guidelines (i), (ii) and (iii) of the Whitford guidelines.

[62] We therefore agreed with the learned Judicial Commissioner's finding of fact that the market survey by Dna complied with the Whitford guidelines, and that the plaintiff had established a *prima facie* case of non-use by the defendant.

Did The Defendant Prove Use?

[63] The defendant adduced evidence in the form of Mr Low's affidavit and various documentary exhibits to show that the defendant was, in fact, using the defendant's trade marks on its products prior to the filing of the plaintiff's application.

[64] The plaintiff submitted that the evidence adduced by the defendant failed to show use of the defendant's trade marks in the period of three years under s. 46(1)(b) of Act 175.

[65] As the originating summons were filed on 19 February 2013, the continuous period of three years up to one month before the filing of the originating summons would be, as correctly pointed out by the learned Judicial Commissioner, the period between 19 January 2010 until 19 January 2013 ("relevant period").

Commercial Invoices etc

[66] The learned Judicial Commissioner noted that the commercial invoices annexed to the defendant's trade mark agent's affidavit had dates in 2009 – outside the relevant period.

[67] We had carefully examined the invoices referred to by the learned Judicial Commissioner. All the commercial invoices, packing lists and bills of lading exhibited by the defendant had dates in 2007 and 2009. The shipments to Sibu, Sarawak, had dates in 2007. The latest in terms of date were the invoice, packing list and bill of lading issued in June 2009 in respect of the shipment to Proplus.

[68] We therefore found no error in the learned Judicial Commissioner's finding that the documents could not be evidence of use by the defendant of the defendant's trade marks in the relevant period.

Sale By Proplus

[69] The learned Judicial Commissioner made the following finding with regard to the invoices dated 24 January 2010 and 4 February 2010 exhibited to Mr Low's affidavit:

> … It is to be noted that reference to Oishi is handwritten, as compared to the other descriptions on the invoice. Added to that the invoice dated 4.2.2010 is invoice no. 5029, whereas, the invoice dated 24.1.2010 is invoice no. 5052. It does not make sense with regards to the numbering of the invoices.

[70] The learned Judicial Commissioner also noted that the invoices contradicted the defendant's trade mark agent's statement in her affidavit that the supply of the products bearing the defendant's trade marks had been temporarily stopped in 2009.

[71] We had carefully examined the documents headed "Cash/Invoice" exhibited to Mr Low's affidavit. For ease of reference, we shall refer to them as "Proplus invoices".

[72] We noted that every single one of the Proplus invoices had a list of items printed, and these items were all drinks. However, as noted by the learned Judicial Commissioner, the "Oishi" products were handwritten.

[73] We took note that Proplus invoices no. 5001, 5008, 5029 and 5052 had the following dates in 2010 written on them:

5001: 18/01/2010

5008: 23/01/2010

5029: undated in the space designated for the date, but with the date 04/2/10 written beside the entry for 2 cartons which was crossed out and changed to 1 carton for "Oishi Bread-Pan".

5052: 24/01/2010

[74] We noted the learned Judicial Commissioner's observation that invoice no. 5029 had a date after the date in invoice 5052 and her finding that this did not make sense with regard to the numbering of the invoices. We found no error in her finding.

"Use" Of The Defendant's Trade Marks

[75] The learned Judicial Commissioner had also dealt with the issue of what amounted to "use" in relation to a trade mark. Her Ladyship relied on the case of *Godrej Sara Lee Ltd v. Siah Teong Teck & Anor (No. 2)* [2008] 7 CLJ 24 in which Ramly J (as His Lordship then was) held that use of a trade mark in relation to goods must be use on or in relation to the goods.

[76] This was consistent with paras. (a) and (b) of sub-s. 3(2) of Act 175 which read as follows:

(2) In this Act:

(a) references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark;

(b) references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to, goods; and

(c) …

[77] The learned Judicial Commissioner found as a matter of fact that no evidence was adduced to show that the defendant's trade marks were in fact printed to or were otherwise visually represented on the products that the defendant shipped to Malaysia or that Proplus sold.

[78] Having gone through all the affidavits and exhibits, we similarly found no evidence of "use" within the meaning of s. 3(2)(a) and (b) of Act 175 of the defendant's trade marks within the relevant period.

[79] The learned Judicial Commissioner was of the view that Proplus was not a registered user, and therefore the sale by Proplus would not satisfy the requirement of s. 3(2)(b) of Act 175.

[80] In *Kerly's Law of Trade Marks and Trade Names* (12th edn), the following passage can be found at p. 193:

> In the case referred to in Notes of Official Rulings 1944A (1944) 61 R.P.C. 148, the registered proprietors (an Australian company) tendered evidence that they had, with the object of establishing a market for their goods in the United Kingdom, exported thereto certain samples in relation to which the mark was used. The samples were supplied to an associated company in the United Kingdom in the course of negotiations for marketing the goods by them. The Comptroller General held this action constituted *bona fide* use. A single sample is enough, where there is a real endeavour to introduce the goods to the United Kingdom market:

[81] Based on the above passage, we were of the view that even if Proplus was not a registered user, if defendant supplied its goods bearing the defendant's trade marks to Proplus, that would still constitute *bona fide* use. The question was: did the sale by Proplus in the relevant period, if any, of the goods bearing the defendant's trade marks amount to use by the defendant of the trade marks?

[82] In this case, defendant admitted, as noted by the learned Judicial Commissioner, in para. 9 of the defendant's affidavit in reply, that:

> Further, I aver that the sale of "Oishi" **goods of the Defendant Company to and in Malaysia was temporarily suspended sometime within 2009** after the Defendant company decided to make readjustments to the formulation of their products to suit the local Malaysian as most of the target customers in Malaysia are the Malay Muslims. (emphasis added)

[83] In the light of the defendant's admission of the cessation of its use of the defendant's trade marks in Malaysia from 2009, the fact that Proplus may have continued to sell the goods remaining from the 2009 shipment did not, in our considered view, constitute use by the defendant of the defendant's trade marks in Malaysia.

[84] In our considered view, on the evidence, particularly the defendant's own concession/admission that it stopped sale to Malaysia in 2009, the defendant's use of the defendant's trade marks in this country did not proceed beyond the shipment in June 2009.

A Special Circumstances

[85] The defendant contended that it "suspended" the sale of its products in Malaysia "to make readjustments to the formulation of their products to suit the local Malaysian as most of the target customers in Malaysia are the Malay Muslims" and in order to enable it to apply for halal certification of its products.

[86] The defendant claimed that these constituted special circumstances under sub-s. 46(4) of Act 175.

[87] The learned Judicial Commissioner referred to the "*Bulova*" case. In *Bulova Trade Mark Case* [1967] RPC 229, Ungoed Thomas J referred to several other cases and made the following observation:

> These passages indicate that, if independently of the special circumstances there would be non-use, then non-use would not be due to the special circumstances; and this seems to imply as a corollary that, if there would be use in the absence of special circumstances, then non-use would be "due to" the special circumstances within the meaning of Section 26(3). In this case it is clear from the last passage which I have quoted from the Assistant Comptroller's decision (and is indeed common ground) that, if there had been no Import Order, there would have been use of the trade mark during the relevant period.

[88] The learned Judicial Commissioner held that as the defendant's "suspension" of the use of the defendant's trade marks in Malaysia was not due to an "abnormal external event" but a commercial choice as the defendant proposed to expand into the halal market, the non-use of the defendant's trade marks was not due to special circumstances.

[89] The special circumstances in sub-s. 46(4), which could be used by a registered proprietor against any application to remove its trade marks for non-use, are special circumstances "in the trade".

[90] In *Woolly Bull Enterprises Pty Ltd v. Reynolds* [2001] FCA 261, Drummond J in the Federal Court of Australia discussed, among others, the provisions of sub-s. 26(3) of the Trade Marks Act 1938 and sub-s. 23(4) of the Trade Marks Act 1955 of the United Kingdom. Those provisions are in *pari materia* with our sub-s. 46(4). Drummond J observed:

> 45. Section 26(3) the Trade Marks Act 1938 (UK) ("the 1938 UK Act") prevented reliance by an applicant for removal on the ground of non-use on "any non-use of a trade mark that is shown to have been due to special circumstances in the trade and not to any intention not to use or to abandon the trade mark". Section 23(4) of the 1955 Act was to the like effect. The authorities on this provision establish the following propositions:
>
> (1) "The non-user must be due to circumstances of the trade and not to special circumstances attaching to and belonging to the trader personally": *In re Columbia Gramophone Co., Ld's Trade Mark* (1932) 49 RPC 621 at 628;

(2) The expression "the trade" in the section means the same trade in which the registered proprietor is engaged: *Aktiebolaget Manus v. RJ Fulwood and Bland, Ld* (1949) 66 RPC 71 at 79.

(3) The phrase "due to special circumstances in the trade" refers "to circumstances which are 'special' in the sense of being peculiar or abnormal and which are experienced by persons engaged in a particular trade as the result of the working of some external forces as distinct from the voluntary acts of any individual trader": *Aktiebolaget Manus* at 79.

(4) For circumstances to be "special circumstances": "it is not … necessary that the 'special circumstances' should be such as to afflict all traders equally or indeed to afflict all of them at all": *Aktiebolaget Manus* at 79.

(5) It is not necessary to show that the "special circumstances" made use of the mark impossible; it is enough to show that those circumstances made it impractical in a business sense, to use the mark: *"BALI" Trade Mark* (1966) 83 RPC 387 at 406.

(6) Even if "special circumstances" are established, they will excuse non-use only if there is a causal link between them and the non-use: *In re James Crean & Son Ld's Trade Mark* (1921) 38 RPC 155.

[91] The defendant in this case made a "personal" commercial decision to stop use of the defendant's trade marks in Malaysia in order to reformulate their products to suit their target of Malay Muslim customers in Malaysia and to obtain halal certification.

[92] Based on the authorities set out in Justice Drummond's judgment in *Woolly Bull*'s case on the United Kingdom's position with regard to provisions similar our sub-s. 46(4), the reasons given by the defendant for the defendant's stoppage or suspension of export to, and sale in Malaysia of goods bearing the defendant's trade marks could not come within the meaning of "special circumstances in trade".

[93] We therefore agreed with the learned Judicial Commissioner that the defendant's non-use was not due to special circumstances within the meaning of sub-s. 46(4) of Act 175.

Issue (3): Issue of s. 37

[94] The defendant contended that their trade marks had been in the Register since 31 July 2003, a period of more than seven years as at the date of the plaintiff's application, and therefore presumed conclusive under the provisions of s. 37 of Act 175.

[95] Section 37 of Act 175 reads as follows:

Registration conclusive

37. In all legal proceedings relating to a trade mark registered in the Register **(including applications under section 45)** the original registration of the trade mark under this Act shall, after the expiration of

A seven years from the date thereof, be taken to be valid in all respects unless it is shown:

(a) that the original registration was obtained by fraud;

(b) that the trade mark offends against section 14; or

B (c) that the trade mark was not, at the commencement of the proceedings, distinctive of the goods or services of the registered proprietor,

except that this section shall not apply to a trade mark registered under the repealed Ordinances and incorporated in the Register pursuant to subsection 6(3) until after the expiration of three years from the C commencement of this Act.

(emphasis added)

[96] We accepted that a trade mark which had been in the Register for seven years or more was presumed to be valid and that the presumption D would apply for the benefit of a registered proprietor in the case of an application under s. 45 to challenge the validity of the trade mark.

[97] We agreed with the defendant that the learned Judicial Commissioner erred in her finding that the exceptions in s. 37 applied, particularly her finding that defendant's trade marks offended s. 14 of Act 175 and were "not E distinctive of the goods and services of the registered proprietor".

[98] However, in our considered view, the very words of s. 37 showed that the presumption of validity was not a defence against an attack for non-use under s. 46.

F **[99]** The specific reference to s. 45 in s. 37 meant that s. 46 was excluded from the ambit of s. 37. In any case, in an application under s. 46(1)(b) of Act 175 it was not the validity of the trade marks that was in issue: it was their non-use.

Decision

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[100] For the reasons we set out above, we concluded that the learned Judicial Commissioner had made correct findings of facts and applied the law correctly in relation to the non-use of the defendant's trade marks, and made the correct decision in allowing the plaintiff's application.

H **[101]** We accordingly dismissed the defendant's appeal with costs of RM20,000, and affirmed the order of the High Court.

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